



## AN OVERVIEW ON ROLE OF MGNREGA IN RURAL DEVELOPMENT

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### ABSTRACT

Rural development is essential to national growth, and disregarding it is akin to neglecting it. Indian development depends on rural people's economic well-being, which requires strong economic policies and effective implementation. National Rural Employment Guarantee Act (NREGA) adopted by Indian law on 25 August 2005 was renamed MGNREGA on 2 October 2009, Mahatma Gandhi's birthday. The legislation aspires to end severe poverty and make communities self-sufficient via productive assets. India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims to reduce rural poverty, discourage migration, provide rights-based employment, and create rural infrastructure. Thus, 15–20% of Indian families and 30% of rural households earn MGNREGA employment each year. On request, MGNREGA guarantees rural households 100 days of paid work. The MGNREGA Act's goals have varied widely among states and districts, despite its statewide reach.

**KEYWORDS:** MGNREGA and Rural Development

### INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a legislative initiative that was implemented on August 25, 2005, with the aim of providing job guarantees to rural areas. The initiative formerly referred to as MGNREGA was first recognized as NREGA, an acronym for the National Rural Employment Guarantee Act. MGNREGA was established by the UPA administration with the addition of "MG" (Mahatma Gandhi). MGNREGA is a social welfare employment legislation that offers work opportunities for impoverished rural people in India. The most crucial aspect of MGNREGA is that it grants rural Indian citizens the entitlement to work for a minimum of 100 days per year, provided they are willing to work. The authorities must offer employment opportunities within their own locality and within a specified timeframe of 15 days. Failure to comply with this requirement may result in the state government being responsible for providing an unemployment allowance. The program also provides clear definitions for wages. The objective is to provide a 100-day period of employment to all individuals in each hamlet, specifically for engaging in unskilled physical labor. Each candidate is assigned tasks within their own region to construct roads, ponds, wells, and other infrastructure. Preference is given to labor-intensive jobs that do not use machines, such as the creation of infrastructure for societal benefits like water harvesting, drought alleviation, and flood control. The villagers were mostly engaged in labor that lacked economic productivity, as shown by its inherent character and organizational structure. The primary implementing entities with authority are the Gramme Panchayats, which are responsible for ensuring responsibility to the Gramme Sabah. The Gramme Panchayats has the authority to formulate plans based on recommendations for the Gramme Sabah. Gramme

Panchayats are responsible for the issuance of job cards, while workers' pay are subsequently paid into their bank accounts. One notable and distinctive aspect of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the provision of equitable opportunities for individuals residing in rural areas of India to generate their own income, free from any kind of caste, gender, or sex-based bias. The most notable characteristic of NREGA is the provision of equal pay for women and men, a concept that was nearly inconceivable in rural India.

### MGNREGA's Impact on Rural India's Economic Development

According to nominal GDP, India's economy ranks as the sixth-largest globally, but it holds the third position in terms of purchasing power parity (PPP). The nation is categorized as a recently industrialized country and is among the leading economies of the G-20. It has seen an average growth rate of about 7% over the last twenty years. The fiscal and tangible outcomes of MGNREGA in the fiscal years 2014-15, as of December 31, 2015, and 2015-16. This paper aims to provide an analysis of the present performance of MGNREGS. The physical and financial performance of MGNREGS in the year 2015-16 is being shown. In terms of physical performance, MGNREGS has produced 5.35 crore job opportunities and given 4.82 crore employment opportunities to households. Additionally, it has generated 235.57 crore person days in this year. The percentage is 98.05%. The current level of tribal engagement is at 18% at the central level. The financial performance of this initiative so far has resulted in an expenditure of 43,838.50 crore for the fiscal year 2015-16. In the instance of Maharashtra, the MNGREGS program gave employment to 14.2 lakh families who were in need of it, and it also provided employment to

12.75 lakh households. Tribal involvement is at 19.03%.

India is often recognized as an agrarian nation, given that a significant portion of its rural population relies on agricultural activities. Agriculture serves as the fundamental pillar of the nation's economy. The agricultural sector plays a significant role in the overall economic progress of the nation, thereby necessitating large development programs in rural India. The Indian government implemented several employment-generating initiatives to tackle rural development. The MGNREGA guarantee scheme is a significant flagship initiative that promotes rural development and employment opportunities in rural areas. The Mahatma Gandhi National Rural Employment Guarantee Act aims to improve livelihood security in rural areas by ensuring that every household with adult members who volunteer for unskilled manual work receives at least 100 days of guaranteed wage employment in a financial year. This initiative was advocated by the Manmohan Singh administration and has now being sustained by the NDA under Narendra Modi. The allocation for Budget 2017 was Rs. 48000 Cr. Rural development has several dimensions, including both long-term and short-term perspectives. Various activities such as sanitation, agriculture, road infrastructure, energy provision, healthcare facilities, skill development, market integration, knowledge of essential amenities, and digital inclusion, among others. The continuation of providing salaries to the rural people in the event of a drought-like condition is essential in order to mitigate migration to urban areas and facilitate the overall elevation of rural communities. MGNREGA prioritizes labor-intensive activities such as constructing infrastructure for water collection, drought relief, and flood control, which contribute to the economic development of rural regions. The MGNREGA offers remuneration to rural workers in exchange for their efforts in promoting the development of rural regions. The MGNREGA program encompasses a range of initiatives aimed at fostering economic development in rural regions.

1. Water conservation and harvesting.
2. Afforestation and tree planting for drought resistance.
3. Micro- and mini-irrigation channels.
4. Irrigation for SC/ST families or INDIRA AWAAS YOJANA recipients.
5. Traditional water body renovation, including tank desilting.
6. Land development
7. Work flood prevention and water-logged area drainage.
8. Rural all-weather roads access.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has played a significant role in facilitating infrastructural development in rural parts of India. The implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has resulted in observable advancements in rural regions of India, such as the construction of roads, irrigation canals, and housing infrastructure.

#### **MGNREGA's Influence on Rural Employment In India**

Over six decades have passed since our nation's independence,

yet rural India continues to experience a daily increase in destitution. The nation cannot attain its objective of economic development until and unless these two challenges are entirely resolved. As a result, employment generation programs in India have undergone continuous redesigns since the country's independence in an effort to generate additional income and productive employment. During the 1970s, Indian policymakers implemented rural employment programs and rural development initiatives in an effort to eradicate rural poverty. During the latter part of the 1970s, the government implemented three significant anti-poverty initiatives: the National Rural Employment Programme (NREP), the Integrated Rural Development Programme (IRDP), and the Rural Landless Employment Guarantee Programme (RLEGP). Furthermore, in order to assist rural Indians in supporting their families' economies, the Indian government established a variety of schemes with distinct names and objectives, such as Food for Work, Ensured Employment Scheme, Jawahar Rojgar Yojana, Sampoorna Gramin Rojgar Yojana, Rashtriya Sram Vikash Yojana, and others. However, these programs have not been particularly fruitful. The primary cause of this is the inability to provide adequate employment at minimum wages and in accordance with demand. The constraints inherent in these employment initiatives prompted the development of an alternative employment framework that could simultaneously generate employment opportunities and alleviate domestic distress in rural India. To accomplish this goal, the Indian government enacted The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2006, which provided every rural household in India with a guaranteed 100 days of employment per year. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005, which grants an individual a direct right to employment, appears to be an innovative and progressive initiative. The government's objective under the MGNREGA was to secure employment for all rural families who required such work and had adult members volunteer to do so. The work was to be performed at the minimum wage rate and, to the greatest extent feasible, within a five-kilometer radius of the applicant's village of residence. In the absence of such wage employment within fifteen days of the application's receipt, the applicant is ineligible for unemployment assistance. Phase 1 of the MGNREGA, which spanned 200 districts nationwide from 2006 to 2007, was expanded to 130 districts in Phase 2 from 2007 to 2008. Since April 1, 2008, the MGNREGA has encompassed the entirety of rural India. The primary initiative of the Eleventh Five Year Plan to eradicate poverty was MGNREGA. The state rural poverty statistics (2009-2010) are correlated with the mean number of employed households (during 2009-10, 20010-11, 2011-12) in the graph below. There appeared to be an overall correlation between the number of rural impoverished households in a given state and the number of households that obtained employment through the MGNREGA. Nevertheless, there were a few noteworthy exceptions to this rule. It appears that states such as Andhra Pradesh, Chhattisgarh, Rajasthan, Tamil Nadu, and West Bengal have utilized the MGNREGA to a greater extent than their poverty levels indicate. Occasionally, in comparison to their poverty levels, states such as Bihar, Maharashtra, Odisha, and Uttar Pradesh appear to be lagging

behind in the utilization of MGNREGA funds.

The examination of the releases made by the ministry on a state-by-state basis revealed that four states, namely Andhra Pradesh, Madhya Pradesh, Rajasthan, and Uttar Pradesh, together contributed to 50% of the overall expenditure allocated under the plan. Additionally, it was observed that three states, namely Bihar, Maharashtra, and Uttar Pradesh, together represented 46% of the rural impoverished population. However, these governments only used around 20% of the allocated cash, resulting in a mere 20% of the total families receiving work under the initiative. This finding suggests a limited association between the poverty rate within a state and the execution of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

### **MGNREGA's Impact On Rural India's Asset Generation And Infrastructure**

The primary goals of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are to ensure that every family in need receives 100 days of wage work and to establish long-lasting assets that enhance the livelihood resources of the rural poor. Within this particular framework, the legislation and the operational directives provide some prerequisites for doing the tasks:

- The wage to material expenses ratio must be at least 60:40, as stated in paragraph 9 of schedule 1 of the Act.
- The Act (Paragraph 1B of Schedule 1 of the Act) shall provide the list of authorized works that may be undertaken under MGNREGA, based on priority.
- According to Paragraph 11 and 12 of Schedule 1 of the legislation, the use of contractors and equipment is prohibited.
- Section 16(5) of the act stipulates the need of allocating a minimum of 50 percent of the works to General Practitioners (GPs) for implementation.
- According to Paragraph 6.4.1 of the operating rules, it is required to get administrative and technical sanction for all works in advance, namely by December of the preceding year.

MGNREGA allowed upkeep of assets developed under the system, including afforested land protection, under Para 6.1.3 of the operating guidelines. Test checks showed that 56916 plantation works worth Rupees 25.19 crore in 202 GPs, one block, and five districts in nine states—Andhra Pradesh, Bihar, Gujarat, Jharkhand, Kerala, Manipur, Mizoram, Rajasthan, and Uttar Pradesh—were wasted due to plant neglect. Physical examination of planting works confirmed audit results. The ministry stated (November 2012) that it had circulated to all states the “Muzzaffarpur model of roadside plantation” for implementation under MGNREGA via an advisory dated 10 September 2012. In the model, aged, widowed, handicapped, and women job card holders of adjoining villages worked as Van Poshaks to raise and maintain the roadside plantations. This provided the residents a feeling of ownership and eliminated the need for plant fence. High plantation survival rates. The states were also requested to investigate non-completed works and take steps to finish them. The statute stated that the plan

sought to create durable assets. Maintenance of program assets is also covered by operational rules. However, 148 GPs in two states and one UT of Mizoram, West Bengal, and Pondicherry and all test check units in three states, Gujarat, produced assets for 3,91,951 works worth 6,547.35 crores. Kerala and Tamil Nadu were fragile. Boribandhs, earthen roads, etc. were built. The ministry claimed in November 2012 that the new draft operating guidelines stressed MGNREGA asset durability and quality monitoring. The ministry also advised states to integrate MGNREGA with other programs to increase asset durability. States were urged to use independent quality monitors to verify asset longevity. Retired chief and executive engineers would form these SQMs.

### **RECOMMENDATIONS**

- Scheme ignorance has lowered its success rate. In addition to pamphlets, newspapers, television, radio, etc., street theater, loudspeakers, and wall writing may raise MGNREGA awareness among women.
- Women require education to raise awareness. Rural poor women should be educated about MGNREGA's advantages to improve participation.
- Accountability, transparency maintain scheme resource efficiency. Gram Sabha must conduct frequent social audits to ensure openness and accountability.
- The government should prioritize local need-based productive activities to cover more women under MGNREGA.
- The analysis shows that market wages are substantially higher than MGNREGA wages. Women are discouraged from working under the system. Thus, MGNREGA pay rates should be changed regularly to match the minimum market wage.
- The government must immediately reduce corruption in MGNREGA implementation and ensure that women workers get their earnings.
- Job card, project approval, money transfer, etc. delays should be addressed immediately.
- More literacy-driven government initiatives for rural women would enable them participate in empowerment schemes.

### **CONCLUSION**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a significant and well-regarded law in the realm of poverty alleviation and social security programs in India, dating back to the country's independence. The Act has instigated a covert revolution in rural sections of the nation by offering guaranteed wage employment to its registered workers. The Mahatma Gandhi National Rural work Guarantee Act (MGNREGA) has emerged as a promising solution for rural families, since its primary objective is to improve livelihood security via the creation of guaranteed wage work opportunities and the development of village infrastructure. Based on the aforementioned study, it can be inferred that the performance of MGNREGA is underwhelming. The implemented plan was unable to offer a 100-day work guarantee for the majority of women who had job cards. The Act seems to have significant and influential implications for rural development as a whole,

and specifically for the empowerment of women throughout the whole country. The issue does not stem from the Act itself, but rather from its flawed execution and inadequate oversight.

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